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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
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RUEHAK/AMEMBASSY ANKARA 4022
RUEHBJ/AMEMBASSY BEIJING 1839
RUEHKO/AMEMBASSY TOKYO 1706
RUEHIT/AMCONSUL ISTANBUL 2275
RHMFIUU/CDR USCENTCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEHVEN/USMISSION USOSCE 2690

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SENSITIVE
SIPDIS

STATE FOR SCA/CEN, EEB

E.O. 12958: N/A
TAGS: [PREL](#) [ECON](#) [PHUM](#) [TX](#)
SUBJECT: TURKMENISTAN: EBRD LIKELY TO EMPHASIZE INVESTMENT
IN CENTRAL ASIA

REF: ASHGABAT 0853

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) European Bank for Reconstruction and Development (EBRD) Country Representative Neil McKain told emboffs that he expected new EBRD Head Thomas Mirow to emphasize investment in Central Asia as well as the Caucasus, Turkey, and Russia's regions. At the same time, the Bank will likely depart from the Baltic nations and some other Central European countries, which clearly no longer need development investment. McKain believed Mirow will take a more flexible view toward Article one of the mandate with respect to Central Asian countries, making it easier to invest in projects in the region.

¶3. (SBU) McKain said EBRD is investing in a bank in partnership with the revamped Union of Entrepreneurs (reftel). The group is supposed to come up with \$5 million, but so far has only come up with \$1 million. He thought they would be able to raise the rest so that the project can proceed.

¶4. (SBU) COMMENT: EBRD's officials, including both the current and recently departed country representatives, have been frustrated by the prospects of losing potential impact on the Government of Turkmenistan's reform efforts because of the bank's strict application of Article one. EBRD sees a potential to help shape the direction of reforms if it becomes involved now. Given the vast need for donor assistance here, post, too, sees greater EBRD involvement here as a positive development.
CURRAN